

Membership Balance Plan  
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 1114(a)(1) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Medicare-Eligible Health Care Board of Actuaries (“the Board”), a non-discretionary advisory committee.
2. Mission/Function: The Board provides the Secretary of Defense and the Deputy Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), independent advice and recommendations related to the actuarial status of the Department of Defense Medicare-Eligible Retiree Health Care Fund (“the Fund”), as discussed in more detail in the charter.
3. Points of View: Pursuant to 10 U.S.C. § 1114(a)(1), the Board consists of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries and have extensive backgrounds in actuarial matters associated with retiree health care.

The DoD, in selecting potential candidates for the Board, reviews the experience and professional credentials of individuals and bases its selection on this review and the subject matters expected to be handled by the Board. The DoD has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues which inform subsequent policy decisions.

Each Board member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee members. Those who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee members. The DoD unless otherwise required by statute or Presidential directive, does not use representative members on DoD established or supported advisory committees.

Membership will be fairly balanced in terms of points of view represented and the functions to be performed by the Board. The Board’s membership balance is not static, and the Secretary of Defense or the Deputy Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the DoD Sponsor.

4. Other Balance Factors: None.
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the experience and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries. Potential candidates are identified by the DoD Office of the Actuary (OACT), which contains all of the Department’s actuarial expertise. The OACT consults with various actuarial bodies, including the American Academy of Actuaries, and with current Board members in consultation with Office of General Counsel of the Department of Defense

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(OGC DoD) and the Office of the Special Assistant to the Secretary of Defense for White House Liaison.

Once potential candidates are identified, the Designated Federal Office, in consultation with OACT, reviews the credentials of each individual and narrows the list of potential candidates before forwarding the list to the USD(P&R) for review. During his or her review, the USD(P&R) strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that will be reviewed by the Board to achieve expertise in points of view regarding anticipated topics.

Once the USD(P&R) has narrowed the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the OGC DoD and the Office of the Advisory Committee Management Officer (ACMO) to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the USD(P&R) discusses the potential candidates with the Secretary of Defense or the Deputy Secretary of Defense and requests authorization to proceed with the nominations. Pursuant to DoD policy, only the Secretary of Defense and the Deputy Secretary of Defense can authorize the appointment of individuals to serve on DoD established or supported advisory committees.

Following the Secretary of Defense or the Deputy Secretary of Defense authorization to proceed and the USD(P&R)'s subsequent administrative certification, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

Pursuant to 10 U.S.C. § 1114(a)(2) and (3), all Board appointments are for a 15-year term of service. Those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. Board members may serve after the end of the term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed to the Board every five years. No member may be appointed for successive terms or serve on more than two DoD Federal advisory committees at one time.

Membership vacancies for the Board will be filled in the same manner as described in the previous five paragraphs.

6. Subcommittee Balance: The DoD has determined that subcommittees will not be authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 F.R. 27482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: January 2, 2017